United Nations A/C.5/54/SR.47

General Assembly
Fifty-fourth session

Official Records

Distr.: General
22 March 2000

Original: English

Fifth Committee

Summary record of the 47th meeting
Held at Headquarters, New York, on Wednesday, 15 December 1999 at 10 a.m.

Chairman: Ms. Wensley ..... (Australia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 163: Review of the implementation of General Assembly resolution 48/218 B

Agenda item 151: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Agenda item 166: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*)

Agenda item 150: Financing of the United Nations Observer Mission in Sierra Leone

Agenda item 172: Financing of the United Nations Mission in Sierra Leone

Agenda item 173: Financing of the United Nations Transitional Administration in East Timor

Agenda item 151: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) Financing of the United Nations peacekeeping operations

Agenda item 119: Programme budget for the biennium 1998-1999 (*continued*)

Second performance report

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

00-20279 (E)

Agenda item 121: Proposed programme budget for the biennium 2000-2001 (*continued*)

Programme budget implications of draft resolution A/54/C.5/L.58 concerning agenda items 20 (f) and 50

Estimates in respect of matters of which the Security Council is seized

Revised estimates: effects of changes in rates of exchange and inflation

The meeting was called to order at 10.10 a.m.

Agenda item 163: Review of the implementation of General Assembly resolution 48/218 B (A/C.5/54/L.17)

Draft resolution A/C.5/54/L.17

1. **Mr. Acakpo-Satchivi** (Secretary of the Committee) said that an additional subtitle, "Funds and Programmes", should be inserted between paragraphs 12 and 13 of the draft resolution.

2. **Mr. Darwish** (Egypt) said that consensus on draft resolution A/C.5/54/L.17 had been reached in informal consultations. That consensus was a vote of confidence in the role of the Office of Internal Oversight Services in assisting the Secretary-General to fulfil his internal oversight responsibilities. He agreed with the Secretary of the Committee that an additional subtitle, "Funds and Programmes", should be inserted between paragraphs 12 and 13 of the draft resolution. He hoped that the Committee would adopt the draft resolution without a vote.

3. *Draft resolution A/C.5/54/L.17, as orally amended, was adopted.*

Agenda item 151: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Placement of Member States for peacekeeping assessments (A/C.5/54/L.20, A/C.5/54/L.21 and A/C.5/54/L.22)

Draft decision A/C.5/54/L.20

Draft decision A/C.5/54/L.21

Draft decision A/C.5/54/L.22

4. **Mr. Sial** (Pakistan) said that it had been decided in informal consultations that the Committee should recommend to the General Assembly that Kiribati, Nauru and Tonga should be included in the group of Member States set out in paragraph 3 (d) of resolution 43/232.

5. *Draft decisions A/C.5/54/L.20, A/C.5/54/L.21 and A/C.5/54/L.22 were adopted.*

Agenda item 166: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*) (A/C.5/54/L.18)

Draft resolution A/C.5/54/L.18

6. **Mr. Darwish** (Egypt), introducing draft resolution A/C.5/54/L.18, said that consensus on it had been reached in informal consultations, although there had been some trifling differences of opinion with regard to post levels. He hoped that in his next report the Secretary-General would inform the Committee of the consequences of any lack of agreement on the post levels he had proposed in his report (A/54/494). He hoped that the Committee would adopt the draft resolution without a vote.

7. *Draft resolution A/C.5/54/L.18 was adopted.*

8. **Mr. Lähdesmäki** (Finland), speaking on behalf of the European Union, said that the European Union was actively involved in Kosovo, both in the reconstruction phase and with the United Nations Interim Administration Mission in Kosovo (UNMIK). It was therefore of the utmost importance to the European Union that UNMIK should be provided with all necessary resources to carry out its mandate. It was on that basis that agreement had been reached on the draft resolution, in which the Committee endorsed the observations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). The current budget must not prevent the Secretary-General from proposing, on the basis of actual experience in UNMIK, further adjustments in the staffing structure and resource estimates in future budget submissions.

9. **Ms. Aragon** (Philippines) said that her delegation had joined in the consensus on the draft resolution. It hoped that the level of the post of head of the Office of Gender Affairs, referred to in paragraph 24 of the ACABQ report (A/54/622), could be reviewed in the context of the next budget submission in the light of the Office's workload.

Agenda item 150: Financing of the United Nations Observer Mission in Sierra Leone (A/53/454/Add.1; A/54/455 and A/54/490)

Agenda item 172: Financing of the United Nations Mission in Sierra Leone (A/54/252/Add.2, A/54/633 and A/54/647; A/C.5/54/1/Add.2)

10. **Mr. Halbwachs** (Controller), introducing the Secretary-General's reports on the financing of the United Nations Observer Mission in Sierra Leone (UNOMSIL) (A/54/455) and the United Nations Mission in Sierra Leone (UNAMSIL) (A/54/633), said that the proposed budget for the 1999/2000 financial period for the United Nations operations in Sierra Leone totalled $208,520,400 gross. That amount included $34,382,400 requested for the provisional expansion of UNOMSIL, authorized by the Security Council, pursuant to which the Secretariat had submitted the revised budget set out in document A/54/455. In its related report (A/54/490) the Advisory Committee recommended approval of the budget, but the General Assembly had taken no action because the Security Council had meanwhile terminated the mandate of UNOMSIL and established UNAMSIL by its resolution 1270 (1999).

11. The Security Council had decided that the military component of UNAMSIL would comprise a maximum of 6,000 personnel, including 260 military observers, and that UNAMSIL would take over the substantive civilian and military components of UNOMSIL. The proposed budget was based on the phased deployment of the 6,000 military personnel, a civilian police component of six police advisers, 581 civilian personnel, 227 international personnel, 72 United Nations Volunteers, and 282 local staff. A breakdown by category of expenditure was given in table 1 and detailed justifications in annexes I, II and III. Staff resources were shown in table 2 and full details would be found in part VIII of the report. Paragraph 9 set out the proposed actions to be taken by the General Assembly.

12. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Security Council had decided to terminate with immediate effect the mandate of UNOMSIL and replace it with UNAMSIL. The Secretary-General had estimated the cost of UNAMSIL at $208.5 million, including $34.38 million for UNOMSIL on which the Advisory Committee had already reported (A/54/490). The Advisory Committee's views and recommendations on UNAMSIL were contained in document A/54/647, in paragraph 25 of which it recommended an appropriation and assessment of $200 million gross, including amounts for the terminated UNOMSIL.

13. **Mr. Lähdesmäki** (Finland), speaking on behalf of the European Union, said that the European Union strongly supported the efforts to bring lasting peace to Sierra Leone and the establishment of UNAMSIL. It also endorsed the appropriation and assessment of $200 million gross recommended by ACABQ.

14. **Ms. Sun Mingin** (China) said that the importance which China attached to African issues, especially the maintenance of peace and security, was well known. Since the signing of the Lomé Peace Agreement China had always advocated that the United Nations should respond as quickly as possible to support the peace process in Sierra Leone. It fully supported UNOMSIL and UNAMSIL and believed that adequate finance must be provided for the implementation of the mandate given by the Security Council. An effort should be made to recruit as many local staff as possible.

15. Her delegation was concerned to learn from paragraph 24 of the ACABQ report (A/54/647) that no provision had been made in the proposed budget for demining activities and it would welcome an explanation from the Secretariat.

16. **Mr. Skjonsberg** (Norway) said that his delegation fully supported UNAMSIL and stressed the importance of its successful deployment to implement the Lomé Agreement. Allocation of adequate financial resources was a crucial element of that process. Norway was providing UNAMSIL with military observers and civilian police and had contributed to the trust fund established by the World Bank to finance the plan for disarmament, demobilization and reintegration. His delegation noted with concern that no budget provision had been made for demining activities and that the Mine Action Service of the Department of Peacekeeping Operations had yet to undertake a technical assessment. It supported the ACABQ recommendation for the appropriation and assessment of $200 million gross.

17. **Mr. Burton** (Canada), speaking on behalf of Australia, New Zealand and Canada, said that the adoption of Security Council resolution 1270 (1999)

had been an important decision for Africa and an important step forward in the peace process in Sierra Leone. The three delegations supported the ACABQ recommendation for an appropriation and assessment of $200 million. It was regrettable that no provision had been made for demining activities, and the three delegations would pursue the matter in informal consultations. They encouraged all Member States to pay their assessments, so that UNAMSIL would be equipped with predictable and secure sources of funding. As always, they encouraged Member States to pay their assessed contributions for all missions in full, on time and without conditions.

18. **Mr. Jaremczuk** (Poland) said that his delegation aligned itself with the statement made on behalf of the European Union.

19. **Mr. Christian** (Ghana) said that the provision of adequate numbers of civilian police had become standard in peacekeeping operations where a police presence was required for the restoration of law and order. The civilian police component of UNAMSIL might have been set at the very low figure of six advisers because of the involvement of other international organizations. His delegation would welcome an explanation of that point. It would also welcome further explanation in connection with the Advisory Committee's comment in paragraph 9 of document A/54/647 that little information had been given on functions for the additional 213 local staff. Furthermore, in the light of the Advisory Committee's comment that the targets for the deployment of staff were rarely met, the Department of Peacekeeping Operations might state whether it intended to carry out the deployment of 436 staff between 1 October 1999 and 15 January 2000.

20. ACABQ noted in paragraph 21 of the same document that the projected monthly cost for the use of S-61N helicopters amounted to $242,000 for each helicopter. His delegation hoped that the Department would heed the request to review the situation to ascertain whether the required service could be provided at a lower cost and that it would also review the estimated hours planned for the use of helicopters and fixed-wing aircraft.

21. **Mr. Yeo** (Director, Peacekeeping Financing Division) said that no resources had been included for demining activities because at the time of preparation of the proposed budget the mined areas had not been fully secure. The Department of Peacekeeping Operations had therefore not been able to carry out a survey mission. It intended to do so in connection with the current forward deployment of contingents. The resources in question would be included as soon as the requirement was known.

22. **Mr. Persaud** (Chief, Finance Management and Support Service) said that the helicopter requirement would of course be reviewed, but he could say now that heavy-lift machines were needed. The existing helicopters did not have the capacity to carry the equipment required.

23. With regard to the deployment of international and local staff, the estimate of the numbers needed to provide support to UNAMSIL had been based on ratios developed by the Department in the light of past experience. The question would of course be re-examined, on the basis of the actual experience of UNAMSIL, in the context of the proposed budget for the next financial period. He would answer the other questions about civilian police put by the representative of Ghana in informal consultations.

Agenda item 173: Financing of the United Nations Transitional Administration in East Timor
(A/54/252/Add.3, A/54/236/Add.1 And A/54/653; A/C.5/54/1/Add.3)

24. **Mr. Halbwachs** (Controller), introducing the report of the Secretary-General on the financing of the United Nations Transitional Administration in East Timor (UNTAET) (A/54/236/Add.1), reminded the Committee that the Security Council, in its resolution 1272 (1999), had established UNTAET for an initial period to 31 January 2001, with the mandate of providing security and maintaining law and order throughout the territory of East Timor; establishing an effective administration; assisting in the development of civil and social services; ensuring the coordination and delivery of humanitarian assistance, rehabilitation and development assistance; supporting capacity-building for self-government; and assisting in the establishment of conditions for sustainable development.

25. UNTAET was to be headed by the Special Representative of the Secretary-General, who would be responsible for all aspects of the work of the United Nations in East Timor and would also act as the Transitional Administrator. The Mission would have

three main components: governance and public administration, to be headed by a Deputy Special Representative; humanitarian assistance and emergency rehabilitation, also headed by a Deputy Special Representative; and a military component, to be headed by a Force Commander and consisting of the United Nations force and a military observer group. It was envisaged that UNTAET would require 1,640 police monitors, 200 military observers and 8,950 troops.

26. The Secretariat was preparing detailed cost estimates for the period from 1 December 1999 to 30 June 2000 and would submit them to the Committee early in 2000. In the meantime, in view of the complexity of the mandate and the scope of the tasks to be undertaken, immediate cash resources were required to enable UNTAET to meet its start-up and monthly operating costs. The Secretariat had sought and obtained authorization from the Advisory Committee to commit $50 million for the operation pursuant to General Assembly resolution 49/233 A, the same procedure used for the mission in Kosovo, and was now seeking a commitment authority and assessment of $205.4 million to meet the preliminary operating costs; that amount included the $50 million already agreed to by the Advisory Committee. Unlike in Kosovo, however, it had been possible to do some advance planning, and preliminary estimates for the period from 1 December 1999 to 31 March 2000 were provided in the annex to the report in support of the request.

27. A trust fund had been set up to receive voluntary contributions to finance the costs of operating public services and utilities and the salaries of local civil servants. In the event that voluntary contributions were not received or formally pledged, the Secretariat would have no recourse other than to request the General Assembly to provide the required funding.

28. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the budget for UNTAET had not yet been finalized. The Secretary-General was requesting commitment authority of $205.4 million pursuant to General Assembly resolution 49/233 A, including the $50 million already authorized by the Advisory Committee. The Advisory Committee recommended a commitment authority of $200 million and had set forth in paragraph 11 of its report (A/54/653) a number of factors which the General Assembly might wish to take into account in determining the level of assessment to be granted in the context of the commitment sought by the Secretary-General.

29. **Mr. Lähdesmäki** (Finland), speaking on behalf of the European Union, said that the European Union welcomed the establishment of UNTAET, which had an important mission to provide security and maintain law and order throughout East Timor. That included the establishment of an effective interim administration and support for capacity-building for self-government and the establishment of conditions for sustainable development. The European Union supported the ACABQ recommendation that the Secretary-General should be granted authority to enter into commitments in an amount not exceeding $200 million. Bearing in mind the Organization's cash situation, it recommended the full assessment of that amount.

30. **Mr. Burton** (Canada), speaking on behalf of Australia, New Zealand and Canada, said that the three delegations noted that the Advisory Committee recommended that the Secretary-General's commitment authority should be slightly less than the amount requested in order to take into account a possible delay in the deployment of a military component. Any such delay must be kept to a minimum. For the reasons outlined in the ACABQ report the three delegations endorsed that recommendation and strongly supported the full assessment of the amount. They again urged all Member States to pay their assessments, so that UNTAET would have predictable and secure sources of funding. As always, they encouraged Member States to pay their assessed contributions in full, on time and without conditions for all peacekeeping missions.

31. **Ms. Aragon** (Philippines), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the Security Council resolution establishing UNTAET had stressed the importance of reconciliation among the East Timorese people. ASEAN concurred with the Advisory Committee's recommendation to grant the Secretary-General a commitment authority in the amount of $200 million, including the $50 million already authorized, and supported full assessment of the amount and the establishment of a special account for UNTAET. ASEAN wished to stress the importance of the Committee's taking an early decision on financing.

32. **Mr. Wharton** (United States of America) said that his delegation fully supported the United Nations Transitional Administration in East Timor, concurred

with the Advisory Committee's proposed authorization of $200 million and was in favour of full assessment. The United States expected the upcoming conference of donors for the trust fund to be successful and anticipated that there would be no need for funding assessments for non-peacekeeping activities such as basic institution-building.

Agenda item 151: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

Support account (A/54/648 and A/54/661)

33. **Mr. Halbwachs** (Controller), introducing the report of the Secretary-General on the support account for peacekeeping operations (A/54/648), said that earlier in the year the General Assembly had approved requirements in the amount of $34.9 million for the support account for the period from 1 July 1999 to 30 June 2000, including 400 temporary posts. Since then there had been significant developments: the United Nations Interim Administration Mission in Kosovo (UNMIK) and the United Nations Transitional Administration in East Timor (UNTAET) had been established; the United Nations Observer Mission in Sierra Leone (UNOMSIL) had been expanded and converted into the United Nations Mission in Sierra Leone (UNAMSIL); the United Nations Mission for the Referendum in Western Sahara (MINURSO) had been expanded; and intensive planning was under way for an initiative in the Democratic Republic of the Congo. As a result, the total budget of all peacekeeping operations would shortly exceed $2 billion a year, compared with $650 million at the time the requirements had originally been submitted, and the number of personnel in the field would double. In order to meet the additional backstopping workload at Headquarters, 67 additional posts were being requested, to be funded from the support account: 60 in the Department of Peacekeeping Operations, 3 in the area of procurement, 2 in the area of security coordination and 2 in the Office of Legal Affairs. If those posts were approved, the Department of Peacekeeping Operations would have a complement of 347 staff, slightly lower than the number of 363 during 1994-1995, a comparable period. While regular recruitment was proceeding for vacant posts, short-term staff had been hired to cope with the workload in the meantime.

34. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the support account (A/54/661), said that the Secretary-General had requested resources to provide additional support at Headquarters in view of the considerable increase in the number of peacekeeping missions established after the approval of $34.9 million for the support account for the period 1 July 1999 to 30 June 2000. At that time a total of $650 million had been projected for peacekeeping operations, including costs for support at Headquarters. The Secretariat currently projected that the total cost of peacekeeping operations would soon amount to approximately $2 billion per year. Under the circumstances the Secretariat was proposing to establish 67 temporary posts at a cost of $3.5 million. No additional non-staff costs were currently being requested. The Secretariat was requesting a commitment authority of $3.5 million in staff costs, any additional appropriation to be considered in the context of the performance report for the period from 1 July 1999 to 30 June 2000. Subject to its observations in paragraphs 10 and 11 of its report (A/54/661), the Advisory Committee recommended acceptance of the Secretary-General's request.

35. **Mr. Lähdesmäki** (Finland), speaking on behalf of the European Union, said that the Union remained strongly committed to the primary role of the United Nations in the maintenance and promotion of international peace and security and to the core function of the United Nations of peacekeeping.

36. Since the complexity of the mandates of the new peacekeeping missions and their larger civilian components constituted a far greater demand upon the Secretariat, it was of the utmost importance that there should be adequate backstopping at Headquarters for all the new and expanded activities. The General Assembly had the responsibility to provide adequate resources, and the support account was an appropriate mechanism for adapting to fluctuating needs. The Department of Peacekeeping Operations and all other departments involved in backstopping needed to be efficiently structured, adequately staffed, properly informed and well prepared for their tasks. The European Union concurred with the proposal to establish 67 temporary posts.

37. **Mr. Orr** (Canada), also speaking on behalf of Australia and New Zealand, said that, since the new missions and expanded peacekeeping missions had resulted in a need for increased backstopping in the Secretariat, the delegations supported the Secretary-General's proposal for an additional 67 posts to meet those immediate and temporary requirements. The three delegations had long advocated the notion of ensuring that the Secretariat had sufficient core capacities, supplemented as necessary by resources to meet surge requirements. The request was a step in the right direction towards building a "core and surge" approach to Secretariat capacities to meet the requirements of peacekeeping commitments, but more work was needed to build an adequate model. Since the proposed posts were required for temporary surge needs, the delegations would like to see those and future surge posts matched against specific surge requirements for review by the Fifth Committee. They supported the Advisory Committee's recommendation that the Secretariat should provide workload indicators.

38. **Mr. Wharton** (United States of America) said that his delegation, while strongly supporting the peacekeeping function, was concerned about the manner in which the request to increase the support account had been handled. To have raised the issue when the Committee was attempting to complete its work at the main part of the session was inappropriate, particularly since the Committee had discussed the item in detail just a few months earlier. His delegation was unhappy that the Secretariat had not conducted a wide-ranging review of the important support account function, examining the relationship between departments, appraising the procedures necessary to efficiently complete tasks and relating structures and staffing to the essential functions of peacekeeping support at Headquarters. It was encouraging, however, that the Advisory Committee, in paragraph 11 of its report (A/54/661), had called for full justification of all support account posts related to the backstopping of peacekeeping operations. His delegation would like to request that that exercise should be completed prior to the resumed session in June. Meanwhile, it would look forward to further discussing the Advisory Committee's recommendations in informal consultations.

39. **Mr. Gallardo** (Bolivia) asked what percentage of the increase in the total peacekeeping budget from $650 million to $2 billion was due to new missions.

40. **Mr. Sial** (Pakistan) said that there was a need to provide adequate resources for backstopping of peacekeeping operations not only for the sake of efficiency, but also for the safety and security of personnel in the field. While regretting the delay in the submission of the Secretary-General's report (A/54/648), his delegation supported the Advisory Committee's recommendations contained in paragraph 10 of its related report (A/54/661) and hoped that the Fifth Committee would be able to take positive action on the request to avoid further resort to the extraordinary measures the General Assembly had sought to put an end to in its resolutions 51/243 and 52/234. He would like to know whether the new authorization would enable the Secretariat to create a rapidly deployable mission headquarters (RDMHQ), as called for by the General Assembly in its resolution 53/12, through the redeployment of six posts. Action on that redeployment should be taken as soon as possible.

41. **Mr. Jaremczuk** (Poland) said that his delegation wished to align itself with the statement by Finland on behalf of the European Union.

42. **Mr. Darwish** (Egypt) said that his delegation supported the statement by Pakistan.

43. **Ms. Loguzzo** (Argentina) said that, in view of the greatly increased workload resulting from the creation and expansion of missions, her delegation concurred with the Advisory Committee's recommendation for 67 additional posts in order to enhance the capacity of the Department of Peacekeeping Operations to support work in the field.

44. **Mr. Halbwachs** (Controller) said, in response to the question by Bolivia, that the difference between the $650 million estimated as the total cost of peacekeeping operations in February-March 1999 and the $2 million currently estimated related essentially to the new missions in Kosovo and East Timor and the expansion of the Sierra Leone mission. The Secretariat could provide a breakdown of the estimates by mission in informal consultations.

45. In response to the question by Pakistan concerning a rapid deployable mission headquarters (RDMHQ), the Advisory Committee had recommended in 1998 in its report on the support account (A/53/418) that six of the posts for RDMHQ should be filled by redeployment. Early in 1999 the Secretariat had indicated that posts had not been identified for

redeployment and had asked that the six posts should be authorized as new posts (A/53/854/Add.1), a request the General Assembly had not granted. The matter would again be addressed in the next report of the Secretary-General on the support account early in 2000.

46. **Mr. Wharton** (United States of America) asked whether the new posts, since they were intended to cover surge requirements, might eventually be eliminated in a year or two if there were no longer a need for them.

47. **Mr. Halbwachs** (Controller) said that, if the number and scale of peacekeeping operations were cut back, the number of posts funded from the support account would certainly be reduced, as had happened before following termination of the United Nations Protection Force (UNPROFOR).

48. **Mr. Sial** (Pakistan) said that the number of posts in the Department of Peacekeeping Operations had naturally fluctuated over time, and it was the responsibility of the General Assembly to provide the Secretariat with resources in accordance with actual requirements. The present request appeared justified.

49. Since the normal vacancy rate on posts funded from the support account was 7 to 8 per cent, the Committee had hoped that the Secretariat could have found it feasible to redeploy six posts for RDMHQ. In its next report, the Secretariat should make a concrete proposal for redeployment to enable RDMHQ to begin functioning.

Agenda item 119: Programme budget for the biennium 1998-1999 *(continued)*

Second performance report (A/54/7/Add.7 and A/54/631 and Corr.1)

50. **Mr. Halbwachs** (Controller) introduced the second performance report on the programme budget for the biennium 1998-1999 (A/54/631), the purpose of which was to provide as accurate an estimate as possible of the anticipated final level of expenditure and income for the current biennium. The estimate was based on actual expenditure for the first 20 months, projected requirements for the last 4 months, changes in inflation and exchange rates and cost-of-living adjustments, compared with the assumptions made in the first performance report. The current estimates of expenditure and income represented reductions of $41.6 million and $6.3 million, respectively, from the levels approved previously by the General Assembly, for a net reduction of $35.3 million. That reduction included an increase of $4.8 million arising from commitments entered into by the Secretary-General for unforeseen and extraordinary expenses pursuant to General Assembly resolution 52/223, of which $4.2 million related to the maintenance of peace and security and to the International Court of Justice. Moreover, commitments of nearly $600,000 had been included to cover the administrative and programme budget implications of Economic and Social Council decision 1999/293.

51. A $17.2 million reduction as a result of changes in exchange-rate assumptions was reflected in table 1 and schedules 4 and 5; a $2 million reduction as a result of changes in inflation assumptions was reflected in table 1 and schedules 6 and 7. Schedule 8 reflected a $12.3 million reduction as a result of variations in posts and common staff costs. Schedules 1 and 2 reflected a $12.8 million reduction as a result of vacancy rates; details were provided in paragraphs 19 to 23. The budgeted vacancy rate for 1999 had been 2.5 per cent for General Service posts and 5 per cent for Professional posts; in the Organization's actual experience, however, the average vacancy rates had been 1.8 per cent for General Service posts and 9 per cent for Professional posts. Information on the evolution of vacancy rates was provided in schedule 8. A number of factors accounted for those vacancy rates, as explained in paragraphs 21 to 23. Objects of expenditure other than posts showed a net reduction of $14 million; details were provided in paragraphs 25 to 34.

52. A new element of the report was the inclusion of information on compensation paid to staff as a result of judgements of the Administrative Tribunal, pursuant to General Assembly resolution 52/220. That information was contained in schedule 9. Paragraphs 40 and 41 indicated that the funds in the Development Account, which amounted to $13,065,000, had been transferred to a special multi-year account for supplementary development activities. Lastly, he recalled the Secretary-General's request, in his address to the Fifth Committee on 5 October 1999, for authorization to retain surpluses arising at the end of the financial period 1998-1999 through the suspension of the relevant financial regulations; that request was

reiterated in paragraph 3 of the second performance report.

53. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee's report on the second performance report was contained in document A/54/7/Add.7. Projected expenditure for the biennium amounted to $2,488.3 million gross; that represented a reduction of $41.6 million gross, or $35.3 million net, taking into account a $6.3 million reduction in income.

54. In paragraphs 6 and 7 of its report the Advisory Committee questioned the effectiveness of suspending financial regulations 4.3, 4.4 and 5.2 (d), as requested by the Secretary-General. Those regulations had been suspended in the past. The Secretary-General should submit additional information to the General Assembly regarding his request. Paragraphs 11 to 14 of the Advisory Committee's report contained comments on the effect of vacancy rates on budget implementation, which supplemented the comments made in the Advisory Committee's first report on the proposed programme budget for 2000-2001. In paragraph 15, the Advisory Committee requested an analysis of the situation of the Vienna International Centre in connection with the use of the Centre's conference-servicing capacity. Lastly, the Advisory Committee had not been convinced by the reasons given for the second performance report's failure to indicate savings resulting from efficiency gains. In paragraph 17 of its report, it requested the Secretariat to provide further clarification of the matter in connection with the Fifth Committee's consideration of the second performance report.

55. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, pointed out that, according to the second performance report, variations in posts and common staff costs would result in a $12.3 million reduction in expenditure. He asked the Secretariat to clarify the impact of vacancy rates on mandated programmes and activities. In the implementation of the programme budget for 2000-2001, the Secretariat should work on the basis of the vacancy rates approved by the General Assembly. He was concerned to note that, according to the report, the Secretariat had not achieved any savings as a result of the implementation of efficiency measures. He agreed with the Advisory Committee's observation that the explanation of some reduced requirements in paragraphs 29 to 31 of the second performance report suggested that they might result from efficiency gains (A/54/7/Add.7, para. 17). He asked the Secretariat to provide a clear explanation, taking into account the proposed programme budget for 2000-2001, in which the Secretariat had justified certain reductions on the ground that such savings had been achieved.

56. **Mr. Repasch** (United States of America) said that he agreed with the Advisory Committee that the financial and programme aspects of budget performance should be combined into a single performance report (A/54/7/Add.7, para. 2). He shared the Advisory Committee's concerns about the proposal to suspend financial regulations 4.3, 4.4 and 5.2 (d) in respect of surpluses arising at the end of 1998-1999. The Secretary-General had first made that proposal some time earlier on the basis of certain assumptions about the Organization's financial condition at the end of the year. Since it had become clear that those assumptions were not accurate, he questioned the need to suspend the financial regulations. Specifically, the Organization's cash situation had changed substantially, primarily as a result of the recent payment, by the United States, of $350 million for the regular budget, $41 million for the International Tribunals and $163 million for peacekeeping operations. Additional payments totalling more than $150 million were currently in the pipeline. He therefore did not support the suspension of the financial regulations in question.

57. Paragraph 22 of the second performance report referred to the chronic high vacancy rates in certain programmes and activities. The Secretariat should take action to reduce vacancy rates in those areas. With respect to paragraph 25, which concerned travel expenses, activities such as the collection of data for studies and the provision of advisory services could be carried out by telephone or other modern means of communication. He asked for clarification of the reference, in paragraph 27, to charges relating to Nairobi that had not been included at the closing of the 1996-1997 accounts. He commended the Secretariat for having reduced requirements under temporary assistance (para. 29), renegotiated leases with the United Nations Development Corporation and placed tighter controls on the purchase of supplies (para. 31) and reduced expenditure for consultants and experts through greater use of in-house expertise (para. 32). He asked for more information on the problems described

in paragraph 30. Lastly, with respect to compensation arising from judgements of the Administrative Tribunal (para. 39), it would be useful if the Secretariat could compare the figures for the current biennium to the amounts paid out in the preceding biennium.

58. **Mr. Herrera** (Mexico) said that he shared the views of the representative of Guyana concerning paragraph 17 of the Advisory Committee's report (A/54/7/Add.7). It was unfortunate that the Secretariat had not identified savings resulting from efficiency measures, which could have been added to the Development Account. He also supported the Advisory Committee's request for more information on vacancy rates, contained in paragraph 12 of its report. He had several questions concerning the Secretary-General's request for the suspension of financial regulations 4.3, 4.4 and 5.2 (d). In particular, he asked whether the General Assembly had approved similar requests in the past. He also asked whether surpluses had been credited to Member States once the Organization's financial situation had improved. If not, he asked whether those funds were placed in a special account and, if so, how much money was currently in that account. Lastly, if such an account existed, he wished to know how much money would be owed to Mexico as a result of the temporary suspension of the financial regulations in question, on the understanding that the surpluses would be credited to Member States once the Organization's financial situation had returned to normal.

59. **Ms. Buergo Rodríguez** (Cuba) said that she fully supported the statement made on behalf of the Group of 77 and China. She was concerned about the situation generated in the current biennium by the application of vacancy rates that were much higher than the ones approved by the General Assembly and about the very high vacancy rates under sections 2A, 7A, 11A, 16 and 20. She asked the Secretariat to explain the effect of recruitment freezes on those vacancy rates. The Secretariat had failed to identify savings resulting from efficiency measures, yet many of the resource reductions in the proposed programme budget for 2000-2001 had been justified on the basis of efficiency gains. She asked the Secretariat to clarify that apparent contradiction. She reiterated her delegation's deep concern about the Organization's chronic cash shortage, and reaffirmed the principle that all Member States must meet their financial obligations in full, on time and without conditions, pursuant to Article 17 of the Charter. Although that was the only lasting solution to the Organization's problems, the General Assembly should, in the meantime, grant the Secretary-General's request for the suspension of certain financial regulations.

60. **Mr. Orr** (Canada) said that he wished the second performance report and the related report of the Advisory Committee had been considered earlier. One of the main reasons why the Organization could continue to function despite its chronic cash-flow crisis was its retention of the amounts it owed to troop-contributing countries. Since all Member States, and not just troop contributors, were responsible for financing the Organization, financial regulations 4.3, 4.4 and 5.2 (d) should be suspended so that all Member States would share that burden. The idea that Member States in arrears could receive credits against their future assessments on the basis of past assessments which they had not yet paid was unsettling. Member States should receive credits against future assessments only after they had paid all past assessments. He noted that the estimates in the second performance report were preliminary and that further adjustments would be made in the light of experience in the last four months of the biennium and the final audited financial statements. With respect to the renegotiation of leases (A/54/631, para. 31), he asked whether the favourable terms obtained extended into the biennium 2000-2001 and whether they had been taken into account in the proposed programme budget for 2000-2001.

61. **Mr. Sial** (Pakistan) said that he shared the views of the Canadian delegation on the unequal burden borne by countries that contributed troops and equipment to peacekeeping operations. Pakistan had waited patiently for the reimbursements it was owed; in the same spirit, it supported the Secretary-General's request for the suspension of financial regulations 4.3, 4.4 and 5.2 (d). In that connection, it supported the requests for further information contained in paragraph 7 of the Advisory Committee's report.

62. He asked whether it would be possible, in future, to include a one-page annex to the performance reports indicating the assessed contributions of Member States to the regular budget and the contributions actually paid. He would also like information on the total amount retained by the United Nations as a result of the suspension of the financial regulations in question. The Advisory Committee's suggestion, in paragraph 2 of its report, that the financial and programme aspects

of budget performance should be combined into a single report was impracticable because it would delay the submission of the budget performance report, as programme managers could not provide all the requisite information early enough. Instead, the programme performance report should include some relevant financial data to illustrate the link between financial resources and programme performance.

63. He was surprised to note that the second performance report did not identify savings achieved through efficiency measures, since the Committee had been informed of projected savings during its deliberations on the Development Account. He asked the Secretariat to explain that contradiction. He looked forward to receiving the information requested by the Advisory Committee on the savings achieved under section 1B (A/54/7/Add.7, para. 14) and on vacancy rates (para. 12). Lastly, he agreed with the Advisory Committee's observation that the Office of Human Resources Management should take special measures to address the problem of high vacancy rates through proper planning and the streamlining of personnel practices and procedures (para. 13).

64 **Mr. Lozinsky** (Russian Federation) recalled that, when the Secretary-General had submitted the proposed programme budget for 2000-2001, the Russian Federation had stated its opposition to the proposal to suspend financial regulations 4.3, 4.4 and 5.2 (d). His delegation was likewise unwilling to grant that request in respect of surpluses arising at the end of the current biennium.

65. **Mr. Sach** (Director, Programme Planning and Budget Division) said that it was too early to ascertain the impact of vacancy rates on the implementation of mandated programmes and activities. Since the high vacancy rates were concentrated in a limited number of offices, any effects they might have would probably be reflected as differential outputs in the programme performance report to be submitted to the Committee for Programme and Coordination and subsequently to the General Assembly at its fifty-fifth session. With respect to the link between vacancy rates and recruitment freezes, there had been no recruitment freeze in the current biennium. The freeze in the preceding biennium had been lifted in the first half of 1997. Although it had resulted in a high number of vacancies, the efforts made since then had brought about a consistent drop in vacancy rates, as shown in schedule 8 of the second performance report.

66. Regarding the absence of savings due to efficiency gains, it had been hoped that a further $5 to 7 million could be generated, over and above the savings initially transferred to the Development Account, as a result of the restructuring of the economic and social departments at Headquarters. While there had been some savings due to lower inflation and higher vacancy rates, the Secretariat had been disappointed to ascertain, at the time of the preparation of the second performance report, that programme managers had not identified any expressly attributable to efficiency.

67. As to the efficiency gains that the Advisory Committee thought underlay the reduced requirements referred to in paragraphs 29 to 31 of the second performance report, the net decrease of $12.8 million relating to staff costs, 50 per cent of which was in the Department of General Assembly Affairs and Conference Services, had been more than offset by above-average expenditures against established posts in that same Department; the remainder of the net decrease, in the Department of Peacekeeping Operations, had not in itself constituted an efficiency saving. The $3.4 million reduction relating to the Office of Legal Affairs should also not be viewed as an efficiency saving but simply as deferred expenditure owing to temporary delays in external printing. Furthermore, the $14 million in reduced requirements under general operating expenses, attributable to favourable leases, had already been factored into the programme budget proposals and, again, did not reflect any efficiency gains.

68. The late 1994-1995 construction charges that should have been entered into the 1996 accounts had been entered only during the current biennium. The construction accounts could now be closed out and capitalized.

69. The amounts for the United Nations Administrative Tribunal, having been included as a new feature of the performance report, were available only for the current biennium; consequently, there was no historical record going back to 1996-1997.

70. **Mr. Halbwachs** (Controller) said that suspension of financial regulations 4.3, 4.4 and 5.2 (d) would improve the cash situation by about $100 million. However, the Organization was still owed $2.1 billion in unpaid assessments, including some $400 million

under the regular budget, so that its financial situation was still very precarious.

71. The General Assembly had previously suspended those financial regulations in 1972 and in the bienniums 1980-1981, 1982-1983, 1984-1985 and 1986-1987. Details of the ensuing retained surpluses had been set out by the Board of Auditors in document A/53/5 (vol. I, p. 167). Some day, if and when normalcy was restored, the General Assembly might be able to return those funds to Member States.

72. Although information on the payment of assessments was already given in the status-of-contributions statements issued periodically to Member States, it would be possible, as Pakistan had requested, to make it more readily available in an annex to the performance report.

73. **Mr. Gallardo** (Bolivia) asked whether troop contributions to new peacekeeping missions would also go unreimbursed. If small countries, in particular, knew that they would have to assume the costs, it might prevent them from contributing troops.

74. **Mr. Halbwachs** (Controller) said that all troop-contributing countries would be treated in the same manner in future peacekeeping operations: if the assessments were collected, they would be reimbursed; if not, they would have to wait for reimbursement.

75. **Mr. Barnwell** (Guyana), speaking on behalf of the Group of 77 and China, reiterated support for a temporary suspension of the financial regulations by the General Assembly, and reaffirmed the position that all assessed contributions must be paid in full, on time and without conditions.

76. **Mr. Sial** (Pakistan) said that his delegation also supported the suspension of the financial regulations, even though the resulting unencumbered balance would help only in small measure.

77. He asked the Secretariat to comment on the Advisory Committee's suggestion (A/54/7/Add.7, para. 2) that future performance reports should combine financial data and programme performance. His delegation believed that that would create difficulties for the Fifth Committee.

78. **Mr. Halbwachs** (Controller) said that he agreed that if the Secretariat attempted to give the General Assembly a combined report on both programme implementation and budget performance under rushed end-of-year conditions, it would be of poor quality and would be delayed, thus flooding the Fifth Committee with voluminous details at the last moment. However, the Secretariat could include more financial information in the programme performance report, relating financial performance more closely to actual programme delivery and performance.

79. **The Chairman** observed that in view of the serious differences of opinion that had been expressed, the Bureau would have to reconsider the draft decision she had intended to put to the Committee on the second performance report.

Agenda item 121: Proposed programme budget for the biennium 2000-2001 *(continued)*

Programme budget implications of draft resolution A/54/L.58 concerning agenda items 20 (f) and 50 (A/54/667, A/C.5/54/41)

80. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the Secretary-General's statement of programme budget implications (A/C.5/54/41) included estimated requirements that would arise from an extension of the mandate of the United Nations Special Mission to Afghanistan (UNSMA) to 31 December 2000. Estimated costs reflected the experience gained in 1999, with a small reduction in the number of military advisers and minor non-staff adjustments; the high vacancy levels reflected the security situation in the country. In 2000 it was hoped to build the mission up to established levels, so that estimated costs for 2000 exceeded annual expenditures in the biennium 1998-1999. The requirements would be chargeable against the provision of $86.2 million at 1998-1999 rates for special political missions already requested in the programme budget proposals for 2000-2001.

81. **The Chairman** said that she took it that the Fifth Committee wished to inform the General Assembly that, should it adopt draft resolution A/54/L.58, the requirements of $3,407,600 would be charged against the provision for special political missions requested in section 3 (Political affairs) of the proposed programme budget for the biennium 2000-2001, in accordance with General Assembly resolution 53/206.

82. *It was so decided.*

Estimates in respect of matters of which the Security Council is seized (A/54/7/Add.10; A/C.5/54/39)

83. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the revised estimates related to mandates already approved by the Security Council for 2000 and in some cases up to the end of 2001. He drew attention to the estimated costs of $9,964,500 (A/C.5/54/39, para. 39, table 1) and to the summary of staffing requirements (table 2).

84. **The Chairman**, taking note of the recommendations of the Advisory Committee in document A/54/7/Add.10, proposed that the Fifth Committee should recommend to the General Assembly the adoption of the following draft decision:

"*The General Assembly*,

"*Takes note* of the report of the Secretary-General contained in document A/C.5/54/39 on the estimates in respect of matters of which the Security Council is seized,

"*Approves* the charge of total requirements of $9,964,500 for the eight missions against the provision for special political missions requested under section 3 (Political affairs) of the proposed programme budget for the biennium 2000-2001 in accordance with General Assembly resolution 53/206."

85. *It was so decided.*

Revised estimates: effect of changes in rates of exchange and inflation (A/54/7/Add.9 and A/54/623 and Corr.1 and Add.1 and Add.1/Corr.1)

86. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the recosting in document A/54/623/Add.1, using December 1999 rates based on the stronger United States dollar, superseded the costing given at November rates in document A/54/623. Taking into account the Advisory Committee's recommendations, the overall estimated expenditure requirements had been reduced by $93,396,300; there was a related reduction of $6,611,200 in projected income.

87. **Ms. Buergo Rodríguez** (Cuba) noted that as a result of the adjustments just reported the overall costing of programme budget proposals for the biennium 2000-2001 would be reduced. Cuba supported such a reduction since it was fully in accord with established budgetary policies and practices, and hoped that all other delegations would do likewise, without seeking to set arbitrary ceilings or make other subversive proposals.

88. **Mr. Sial** (Pakistan) commended the Secretariat for including in the recosting exercise the adjustments to the proposed programme budget resulting from the Advisory Committee's recommendations; he hoped that similar useful information would be given in future reports.

89. He asked for clarification of the staffing proposal listed under section 28 (Internal oversight) in paragraph 11 of document A/54/623.

90. It was Pakistan's understanding that any recosting decision taken now was subject to further adjustments once all statements of programme budget implications had been approved.

91. **Mr. Sach** (Director, Programme Planning and Budget Division) said that the new post referred to in document A/54/623, paragraph 11, would be at the P-4 level and not at the P-5 level.

92. The Secretariat did not anticipate any further recosting as a result of inflation; statements of programme budget implications and revised estimates would conform to the recosting in document A/54/623/Add.1.

93. **The Chairman** said that she took it that the Fifth Committee wished to recommend to the General Assembly that it should take note of the revised estimates arising from the recosting of the effects of changes in rates of exchange and inflation.

94. *It was so decided.*

The meeting rose at 1.15 p.m.